

## Message Text

CONFIDENTIAL

PAGE 01 STATE 278752

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ORIGIN NEA-03

INFO OCT-01 ISO-00 /004 R

66605  
DRAFTED BY: NEA/ARP:FMDICKMAN  
APPROVED BY: NEA/ARP:FMDICKMAN  
----- 127958

R 201632Z DEC 74  
FM SECSTATE WASHDC  
TO AMEMBASSY JIDDA

C O N F I D E N T I A L STATE 278752

FOLLOWING REPEAT MEXICO 10616 SENT ACTION SECSTATE  
INFO LONDON MADRID PARIS, DECEMBER 20TH:

QUOTE C O N F I D E N T I A L MEXICO 10616

E.O. 11652: GDS  
TAGS: ENRG, PFOR  
SUBJECT: 7.4 BILLION BARRELS ARAB OIL AVAILABLE TO US  
OVER NEXT SIX YEARS AT LESS THAN OPEC PRICES; MORE, IF  
DESIRED

REF: MEXICO 10346, 10376

1. MEXICAN "INDUSTRIALIST" CHAHIN RETURNED FROM PARIS  
DECEMBER 17 AND CALLED AT EMBASSY DECEMBER 18, 19 TO CONFIRM  
DETAILS REPORTED REFTELS, NAMELY:

A) ONE BILLION METRIC TONS ARAB OIL (7.4 BARRELS PER TON)  
OFFERED BY ARAB PRODUCING COUNTRIES TO U.S. THROUGH ARRANGE-  
MENTS COMPLETED IN PARIS DECEMBER 13 AND 16, 1974 BETWEEN  
MAMODE ABDUOL GAFOOR/CHAHIN OF MEXICO AND ASSOCIATES.  
(GAFOOR IS ARAB REPRESENTATIVE, PRESIDENT OF ISLAMIC BANK  
IN PARIS AND PRESIDENT, MUSSULMAN UNIVERSAL COMMUNITY).

B) CONTRACT TO EFFECT STATED SIGNED PARIS DECEMBER 13  
AND DULY NOTARIZED BY NOTARY PUBLIC M. PHILIPPE GUITTON,  
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PAGE 02 STATE 278752

OF 19 BOULEVARD DE COURCELLES. ADDITIONAL PROTOCOL

SIGNED PARIS DECEMBER 16 BY SAME PARTIES, NOTARIZED  
BEFORE SAME NOTARY PUBLIC. (COPIES MADE AVAILABLE TO  
EMBASSY, MEXICO CITY.)

C) KING FAISAL OF SAUDI ARABIA REQUESTS THAT  
PRESIDENT FORD BE INFORMED.

D) CHAHIN PLANS RETURN TO PARIS AS SOON AS ARRANGEMENTS  
COMPLETED WITH MEXICAN OR U.S. BANK TO HANDLE FINANCIAL  
TRANSACTIONS (DEPOSITORY OF PAYMENTS, DISTRIBUTION  
OF PROCEEDS, ETC.).

E) AS SOON AS BANKING ARRANGEMENTS COMPLETED OIL AVAILABLE  
TO U.S. INTERESTS; MORE THAN AMOUNT SPECIFIED IF  
DESIRED.

F) U.S. PURCHASERS (REFINERIES, OIL IMPORTERS) TO SPECIFY  
TO CHAHIN AND ASSOCIATES SOURCE OF OIL DESIRED (E.G.  
SAUDI ARABIA, IRAN, NIGERIA) QUALITY OF SAME, QUANTITY  
AND DELIVERY DATA. THESE ORDERS WILL BE PROCESSED BY  
MEXICAN CONSORTIUM THROUGH GAFOOR DIRECTLY TO OIL  
PRODUCERS.

G) PRICE WILL THEN BE DETERMINED BY GAFOOR IN CONSULTATION  
WITH PRODUCERS ON UNDERSTANDING THAT SAID PRICE WILL  
BE SOME TEN PERCENT LESS THAN OPEC RATES. IN THIS  
CONNECTION, EMBASSY UNDERSTANDS THAT SOME US IMPORTING  
COMPANIES ARE OBTAINING PRICES AT 93 PERCENT OF CURRENT  
OPEN MARKET RATES, AND EMBREP SO STATED TO CHAHIN. HIS  
REPLY WAS "WE WILL SELL FOR LESS."

2. COPIES OF DECEMBER 13 CONTRACT AND DECEMBER 16  
SEPARATE PROTOCOL ("DELEGATION") BEING POUCHED TO  
DEPARTMENT. IT WILL BE NOTED THAT CHAHIN APPEARS AS  
JSEUS CHAHIN SIMON, THE SIMON BEING HIS MATRONYM.

3. CHAHIN ADVISED FURTHER THAT ONE PARTNER HAS  
PROCEEDED TO SPAIN WHICH, AS PREVIOUSLY REPORTED, WANTS  
SUBSTANTIAL QUANTITY OIL.

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PAGE 03 STATE 278752

4. IN REPLY TO EMBASSY QUERY HE STATED THAT ONE OF HIS  
AMERICAN PARTNERS (PROBABLY BRENNAN) WOULD BE WILLING  
PROCEED WASHINGTON TO MEET WITH US ENERGY AUTHORITIES  
AND/OR INTERESTED IMPORTING COMPANIES AT TIME AND DATE  
CONVENIENT TO LATTER. HE URGED SPEEDY ACTION.

5. CHAHIN FURTHER ADVISED THAT GAFOOR HAS BEEN MIDDLEMAN  
FOR ARAB OIL PRODUCERS IN THEIR SALES TO FRANCE FOR PAST

20 YEARS; THAT THE PRESENT OIL OFFERED TO THE U.S. WAS  
WANTED BY FRANCE BUT THAT FAISAL DIVERTED IT TO THE U.S.  
TO STRENGTHEN PRESIDENT FORD'S HAND IN MARTINIQUE MEETING  
WITH FRENCH PRESIDENT.

6. COMMENT: EMBASSY HAS ENDEAVORED REPORT THESE  
DEVELOPMENTS FOR WHAT THEY ARE WORTH. IT NOTES THAT  
PROGRAM ANNOUNCED IN ADVANCE BY CHAHIN HAS BEEN IMPLEMENTED  
AND CONTRACTS SIGNED, WITH ONE EXCEPTION; GAFOOR PREFERRED  
DEAL DIRECTLY WITH CHAHIN AND PARTNERS, AND NOT THROUGH  
THE LIECHTENSTEIN COMPANY AS PREVIOUSLY CONTEMPLATED.

AS TO WHY THE OIL WAS BEING MADE AVAILABLE TO U.S. IN  
THIS ROUNDABOUT WAY, CHAHIN SAID HE TOO HAD WONDERED AT  
THAT AND QUESTIONED GAFOOR ABOUT IT. EMBASSY UNDERSTANDS  
THAT GAFOOR EXPLAINED THAT THE MEXICAN INTERMEDIARY  
WAS SANCTIONED PERSONALLY BY KING FAISAL, WHO WANTS  
COOPERATE WITH U.S. IN PRESENT CRISIS BUT IS PUBLICLY  
BOUND AS OPEC MEMBER, HENCE HAS CHOSEN THIS MEANS.  
CHAHIN REPORTED THAT GAFOOR TALKED PERSONALLY BY TELEPHONE  
WITH FAISAL, IN THEIR PRESENCE, DURING THE FINAL NEGOTIATIONS.  
IT WILL BE RECALLED THAT GAFOOR VERIFIED FACT THAT CHAHIN  
OF ARAB DESCENT, THAT HE (GAFOOR) WAS PUT IN CONTACT  
WITH CHAHIN BY PRINCESS JANNE OF RUMANIA, PRESIDENT OF  
THE ISLAMIC BANK, LONDON, WHO HAS NGOTIATED SEVERAL ARAB/  
BRITISH OIL DEALS WITH GAFOOR AND IS QUITE FRIENDLY WITH  
MEXICO.

(FYI. AS PROMISED, CHAHIN CALLED SCICOUNS SIMONPIETRI  
FROM PARIS, DECEMBER 17. HOWEVER, SINCE HE WAS RETURNING  
IMMEDIATELY TO MEXICO, EMBASSY PREFERRED AWAIT DETAILS  
AND DOCUMENTATION FROM HIM PERSONALLY TO PRESENT WRAP-UP  
INSTEAD OF INTERIM REPORT. CHAHIN AND ASSOCIATES CALLED  
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PAGE 04 STATE 278752

AT U.S. EMBASSY PARIS. SINCE SCICOUNS SALMON ABSENT,  
TALKED WITH SOMEONE ELSE (MARTIN, QUESTION MARK) WHO  
UNFAMILIAR WITH MATTER, SO NO ONE FROM U.S. PRESENT AT  
CONTRACT SIGNING CEREMONY. END FYI.)

7. ADDITIONAL DETAILS ON SEPARATE FINANCIAL MATTERS  
BY SEPTEL. JOVA

UNQUOTE KISSINGER

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, PRICE TRENDS, TRADE DATA, BARRELS (CONTAINERS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 DEC 1974  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
**Drafter:** NEA/ARP:FMDICKMAN  
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**Executive Order:** GS  
**Errors:** N/A  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** 7.4 BILLION BARRELS ARAB OIL AVAILABLE TO US OVER NEXT SIX YEARS AT LESS THAN OPEC PRICES; MORE, IF  
**TAGS:** ENRG, PFOR, US, OPEC, (GAFOOR), (CHAHIN)  
**To:** JIDDA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005